

PIERCE COUNTY FIRE PROTECTION DISTRICT NO. 21
Pierce County, Washington
January 1, 1990 Through December 31, 1992

Schedule Of Findings

1. The District Should Improve Controls Over Eating And Drinking At Public Expense

The district paid \$5,000 per year to Pierce County Fire District No. 21 Firefighters Association (the association) in 1990, 1991, and 1992. According to the contract between the district and the association, these payments were to be used to provide a banquet for the volunteer fire fighters. Records obtained from the association show that not all of the money received from the district was used for the banquets. The association's records identify unspent district funds of \$1,662.71, \$1,216.26, and \$1,994.53 for 1990, 1991, and 1992, respectively.

In addition, former commissioners and spouses of the volunteer fire fighters were invited to attend. Association records show that only two "guests" paid to attend. Since the district did not require the association to keep records, we could not determine how many nonvolunteers were fed at district expense.

Washington State Constitution, Article VIII, Section 7 states:

No county, city, town or other municipal corporation shall hereafter give any money, or property, or loan its money, or credit to or in aid of any individual, association, company or corporation, except for the necessary support of the poor and infirm

An attorney general memorandum dated May 14, 1987, discussing volunteer workers, states in part on page 12:

. . . where a municipal corporation could have employed a party for compensation to perform some duty for the municipality, there is implied authority to . . . provide meals or refreshments to those people in-lieu-of (or in some cases to supplement) monetary compensation.

This implied authority to provide meals in-lieu-of compensation extends only to the volunteer, not to the spouse or relatives of the volunteer or to other nonvolunteers.

District officials thought they had sufficiently covered legal requirements for volunteer banquets within the contract with the association.

We also noted a receipt dated November 13, 1990, in the amount of \$17.89 for meals for three people, which was reimbursed from petty cash. The receipt does not identify the persons served, the occasion, or if the expenses were incurred in the course of official business.

Discussing recordkeeping, the memorandum from the attorney general further states:

An officer or employee claiming such reimbursement must . . . be prepared to show (1) what was the occasion for incurrence of the expense, (2) what were the expenses incurred, and (3) that the expenses were incurred in the course of official business

Since the \$17.89 payment was not properly documented, we could not determine if it was allowable. District officials appear to have been unaware of these recordkeeping requirements.

We recommend the district improve recordkeeping and require future "Agreements for Services" contain a provision that proof of expenditures be provided to ensure the district does not pay for the meals of nonvolunteers.

We further recommend the district recover the \$4,873.50 it paid for the volunteer banquets which did not go to expenses for those banquets.

2. Minutes Should Be Recorded And Retained For All Meetings Of The Board

The district failed to record or retain minutes for one meeting in 1990, five meetings in 1991, and one meeting in 1992.

RCW 42.32.030 requires that:

The minutes of all regular and special meetings . . . shall be promptly recorded and such records shall be open to public inspection.

RCW 52.14.080 further requires that:

The secretary of the district shall keep a record of the proceedings of the board

Failure to record or retain minutes denies the public access to information concerning the operations of the district. Since we were not able to obtain the minutes noted above, we were not able to tell what actions may have been taken at those meetings or if quorums were present.

The five meetings in question for 1991 occurred the month following the termination of employment of the former district secretary. It appears the district did not take steps to ensure minutes were recorded prior to the appointment of a new secretary. We could not determine why the district failed to record or retain the minutes in question for 1990 and 1992. Proper recording of minutes was a problem noted in the prior audit report.

We recommend the district record minutes for all meetings of the board of commissioners and keep them on file for public inspection.

3. The District Should Comply With The Requirements Of The Open Public Meetings Act

We noted 35 occasions that the district posted notice for and held meetings which they titled "executive meeting." The executive sessions at these meetings were not convened from regular or special meetings.

In addition, the expected time to reconvene the regular or special meeting was not recorded in the minutes for 17 executive sessions, three executive sessions went overtime without an extension being recorded in the minutes, and subject matter was not disclosed for one executive session.

RCW 42.30.110 (1) authorizes a governing body to hold an executive session, "during a regular or special meeting." No provision is made for holding executive sessions outside of regular or special meetings.

RCW 42.30.110 (2) also states:

Before convening in executive session the presiding officer of a governing body shall publicly announce the purpose for excluding the public from the meeting place, and the time when the executive session will be concluded.

Since executive sessions were not always adequately disclosed in the minutes, we could not determine if they were held in compliance with the Open Public Meetings Act.

District officials have stated they were not fully aware of all the provisions of the Open Public Meetings Act or how to implement them.

We recommend the district comply with the provisions of the Open Public Meetings Act.

4. The District Should Follow Record Retention Schedules

Of the total of 227 advance travel fund checks which were used in 1990, 1991, and 1992, 153 could not be located. Additionally, 15 of the 36 bank statements could not be located.

The General Records Retention Schedule for fire districts published by the State Division of Archives and Records Management pursuant to Chapter 40.14 RCW shows that bank statements must be retained until after audit and cancelled checks must be retained for six years.

Failure to retain public records makes it impossible to audit them for compliance with state law. In addition, errors and irregularities may occur and not be detected in a timely manner.

District officials could not determine what happened to the missing documents.

We recommend the district improve controls over the advance travel fund to ensure all checks and bank statements are available for audit.